

CITY COUNCIL CITY AND COUNTY OF HONOLULU

Honolulu, Hawaii 96813-3065/Telephone 547-7000

Charles K. Djou

Councilmember, District IV

Chair, Executive Matters & Legal Affairs Committee Phone: (808) 547-7004 / Facsimile: (808) 523-4220

Email: cdjou@honolulu.gov

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For More Information, Please Contact: Councilmember Charles K. Djou Phone: (808) 478-0006

COUNCILMEMBER DJOU: TIME TO EXAMINE PROPOSITION 13 FOR HONOLULU

Today, Councilmember Charles K. Djou (Waikiki, East Honolulu) announced that he plans to introduce a bill modeled on California's Proposition 13 to limit the amount property taxes may increase in any given year.

"I am extremely excited that after three consecutive years of increasing taxes, debate has finally shifted at City Hall toward providing tax relief to Oahu residents. To restrain government spending and ease the financial burden on taxpayers, the time has come for the City to consider limits on the amount property taxes may increase in any given year. I plan to introduce a bill that will limit the amount that property taxes may increase to no more than the greater of 10% per year or one-and-a-half times of inflation," stated Councilmember Djou.

Djou added, "My measure, however, must be set in context of controlling spending. If we only limit property tax increases but fail to hold down spending, other taxes or fees such as the gasoline, vehicle or excise taxes will only increase. Ultimately, the best cure for rising taxes has always been and will continue to be restraining government spending."

Councilmember Djou had proposed and the City Council passed a spending and debt ceiling measure in 2003, but the bills were vetoed by then-Mayor Harris. Over the past three years, the City has increased not only the residential and commercial property tax rates but also the vehicle tax, parking meter charges, sewer fees, building permit fees, garbage tipping fees and park fees. Djou is the only member of the council to vote against every one of these tax and fee increases over the past three years. Last month, the City issued property tax bills to Oahu residents that increased valuation by an average of 26%. On Sunday, the City's 50% increase in the vehicle tax also kicked in. First reading on Djou's anti-tax bill will likely come on Jan. 25.

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